

**DISTRICT ATTORNEY
OF THE
TWENTY-EIGHTH JUDICIAL DISTRICT**

**Financial Statements &
Supplemental Financial Information**

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/4/10

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

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John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathanvercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

INDEPENDENT ACCOUNTANT'S REPORT

Honorable Reed Walters
District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana

We have reviewed the accompanying basic financial statements of the governmental activities and other remaining fund information of the District Attorney of the Twenty-Eighth Judicial District, a component unit of the LaSalle Parish Police Jury, as of and for the year ended December 31, 2009, which collectively comprise the district's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District Attorney of the Twenty-Eighth Judicial District's management.

Our review was conducted in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards* issued by the Comptroller General of the United States of America. A review consists principally of inquiries of entity personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 11, 2010, on the results of our agreed-upon procedures.

The management's discussion and analysis and budgetary comparison information are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but were compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

John R. Vercher PC

June 11, 2010
Jena, Louisiana

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**Management Discussion
& Analysis
(MD&A)**

District Attorney of the Twenty-Eighth Judicial District

PO Box 1940

Jena, LA 71342

Telephone: (318) 992-8282

Fax: (318) 992-4731

MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the District, we offer readers of the District Attorney of the Twenty-Eighth Judicial District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the District's governmental activities exceeded its liabilities at the close of the most recent fiscal year by \$58,030 (*net assets*). Of this amount, \$46,695 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- The District had total revenues of \$372,688, which is a \$69,584 increase from last year.
- The District had total expenditures of \$349,522, which is a \$39,792 increase from last year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The District is a special-purpose entity engaged only in governmental activities. Accordingly, only fund financial statements are presented as the basic financial statements.

Effective, January 1, 2004, the District adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

See accountant's report.

MD&A

USING THIS ANNUAL REPORT

The District's annual report consists of financial statements that show information about the District's fund, an enterprise fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Table 1
Balance Sheet
Governmental Activities

The following table represents a condensed Comparative Statement of Net Assets as of December 31, 2009:

	<u>2008</u>	<u>2009</u>	<u>% Change</u>
Assets			
Cash & Investments	\$ 22,513	\$ 37,756	67.6%
Receivables	9,429	8,111	-14.0%
Due From Other Funds	-0-	5,649	100.0%
Capital Assets, Net of Accumulated Depreciation	17,191	11,335	-34.1%
Total Assets	<u>49,133</u>	<u>62,851</u>	27.9%
 Liabilities & Net Assets			
Accounts, Salaries, & Other Payables	12,175	4,821	-60.4%
Total Liabilities	<u>12,175</u>	<u>4,821</u>	-60.4%
 Net Assets			
Invested in Capital Assets, Net of Related Debt	13,429	11,335	-15.6%
Unrestricted	23,529	46,695	98.5%
Total Net Assets	<u>\$ 36,958</u>	<u>\$ 58,030</u>	57.0%

See accountant's report.

MD&A

Table 2
Changes in Fund Balance
Governmental Funds

The following table reflects the condensed Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance for the year ended December 31, 2009:

	<u>2008</u>	<u>2009</u>	<u>% Change</u>
Beginning Fund Balances	\$ 30,155	\$ 23,529	-22.0%
Total Revenues	303,104	372,688	23.0%
Total Expenditures	<u>(309,730)</u>	<u>(349,522)</u>	12.8%
Increase (Decrease) in Fund Balances	<u>(6,626)</u>	<u>23,166</u>	449.6%
Ending Fund Balances	<u>\$ 23,529</u>	<u>\$ 46,695</u>	98.5%

CAPITAL ASSETS

Capital Assets

At December 31, 2009, the District had \$11,335 invested in capital assets, including furniture and equipment.

Capital Assets at Year-End

	<u>2008</u>	<u>2009</u>
Furniture & Equipment	\$ 91,732	\$ 91,732
Accumulated Depreciation	<u>(74,541)</u>	<u>(80,397)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 17,191</u>	<u>\$ 11,335</u>

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Reed Walters, District Attorney, at the District Attorney of the Twenty-Eighth Judicial District, PO Box 1940, Jena, Louisiana 71342, telephone number (318) 992-8282.

See accountant's report.

John R. Vercher C.P.A.
jrv@centurytel.net

Jonathan M. Vercher M.S., C.P.A.
jonathavercher@centurytel.net

JOHN R. VERCHER PC
Certified Public Accountants

P.O. Box 1608
Jena, Louisiana 71342
Tel: (318) 992-6348
Fax: (318) 992-4374

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Honorable Reed Walters
District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the District Attorney of the Twenty-Eighth Judicial District and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District Attorney of the Twenty-Eighth Judicial District's compliance with certain laws and regulations during the year ended December 31, 2009 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

*During our review of expenditures, we found no such expenditures.

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

* The district does not have a board.

3. Obtain from management a listing of all employees paid during the period under examination.

* Management provided us with the required list.

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4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

* None of the employees listed were immediate family members of the District Attorney.

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

* We obtained a copy of the legally adopted budget and all amendments.

6. Trace the budget adoption and amendments to the minute book.

* The District Attorney approved the budget. The District does not maintain a minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

* The entity's final budgeted revenues and expenditures did not exceed the actual revenues and expenditures by more than 5%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee;

* We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

* All of the payments were properly coded to the correct fund and general ledger account.

(c) determine whether payments received approval from proper authorities.

* Inspection of documentation supporting each of the six selected disbursements indicated approvals from the proper authorities of the entity and proper documentation and correct coding.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

* Not applicable.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

* We inspected all bank deposit entries in the books for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

* We inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts. The district has no minutes.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we did not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the District Attorney of the Twenty-Eighth Judicial District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher PC

June 11, 2010

Jena, Louisiana

Basic Financial Statements

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Net Assets
December 31, 2009**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash & Cash Equivalents	\$ 33,995
Investments	3,761
Accounts Receivable	8,111
Due From Other Funds	5,649
Capital Assets, Net of Accumulated Depreciation	11,335
TOTAL ASSETS	<u>62,851</u>
LIABILITIES	
Accounts Payable	<u>4,821</u>
TOTAL LIABILITIES	<u>4,821</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	11,335
Restricted	-0-
Unrestricted	46,695
TOTAL NET ASSETS	<u>\$ 58,030</u>

See accompanying notes and accountant's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Activities
Year Ended December 31, 2009**

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS & OTHER CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE</u>
Governmental Activities:				
General Government - Judicial	\$ <u>(351,616)</u>	\$ <u>285,640</u>	\$ <u>87,048</u>	\$ <u>21,072</u>
		Change in Net Assets		<u>21,072</u>
		Net Assets – Beginning of Year		<u>36,958</u>
		Net Assets – End of Year		<u>\$ 58,030</u>

See accompanying notes and accountant's report.

District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Balance Sheet – Governmental Funds
December 31, 2009

	GENERAL FUND	PRETRIAL INTERVENTION	TOTAL GOVERNMENT FUNDS
ASSETS			
Cash & Cash Equivalents	\$ 12,495	\$ 21,500	\$ 33,995
Investments	3,761	-0-	3,761
Receivables	8,111	-0-	8,111
Due From Other Funds	5,649	-0-	5,649
TOTAL ASSETS	<u>30,016</u>	<u>21,500</u>	<u>51,516</u>
LIABILITIES & FUND BALANCE			
LIABILITIES			
Accounts Payable	4,821	-0-	4,821
TOTAL LIABILITIES	<u>4,821</u>	<u>-0-</u>	<u>4,821</u>
FUND BALANCES			
Unreserved - Undesignated	25,195	21,500	46,695
TOTAL FUND BALANCES	<u>25,195</u>	<u>21,500</u>	<u>46,695</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 30,016</u>	<u>\$ 21,500</u>	<u>\$ 51,516</u>

See accompanying notes and accountant's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Assets
Year Ended December 31, 2009**

Fund balances – total governmental funds	\$46,695
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Capital Assets	\$ 91,732	
Less Accumulated Depreciation	<u>(80,397)</u>	
		<u>11,335</u>
Net assets of governmental activities		<u>\$58,030</u>

See accompanying notes and accountant's report.

District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Revenues, Expenditures, & Changes in Fund Balance
Year Ended December 31, 2009

	GENERAL FUND	PRETRIAL INTERVENTION	TOTAL GOVERNMENT FUNDS
REVENUES			
Intergovernmental	\$ -0-	\$ 49,646	\$ 49,646
Commissions on Fines	87,158	-0-	87,158
State Income	87,048	-0-	87,048
Other Income	1,562	-0-	1,562
Worthless Check Collection	76,069	-0-	76,069
Asset Forfeiture	71,205	-0-	71,205
TOTAL REVENUES	<u>323,042</u>	<u>49,646</u>	<u>372,688</u>
EXPENDITURES			
Worthless Checks	38,786	-0-	38,786
Auto Expenditures	11,414	-0-	11,414
Travel	676	-0-	676
Legal & Accounting	6,526	-0-	6,526
Insurance	2,046	-0-	2,046
Dues & Subscriptions	5,497	-0-	5,497
Contract Labor	1,184	-0-	1,184
Utilities	2,074	-0-	2,074
Office Expenditures	15,664	-0-	15,664
Advertising	887	-0-	887
Cost of Court	24,957	-0-	24,957
Asset Forfeiture	57,140	-0-	57,140
Payroll Expenditures	182,515	-0-	182,515
Other Expenditures	156	-0-	156
TOTAL EXPENDITURES	<u>349,522</u>	<u>-0-</u>	<u>349,522</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	38,340	-0-	38,340
Transfer Out	-0-	(38,340)	(38,340)
TOTAL OTHER FINANCING SOURCES (USES)	<u>38,340</u>	<u>(38,340)</u>	<u>-0-</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	11,860	11,306	23,166
FUND BALANCE - BEGINNING OF YEAR	13,335	10,194	23,529
FUND BALANCE - END OF YEAR	<u>25,195</u>	<u>21,500</u>	<u>46,695</u>

See accompanying notes and accountant's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balances
of Government Funds to the Statement of Activities
Year Ended December 31, 2009**

Net change in fund balances – total governmental funds	\$	23,166
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$	-0-	
Depreciation Expense		<u>(5,856)</u>	(5,856)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of these differences in the treatment of long-term debt and related items is as follows:

Issuance of New Long Term Debt	\$	<u>3,762</u>	
Principal Payments			<u>3,762</u>
Change in net assets of governmental activities	\$		<u>21,072</u>

See accompanying notes and accountant's report.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Statement of Fiduciary Net Assets
December 31, 2009**

		AGENCY FUNDS
ASSETS		
Cash	\$	<u>5,649</u>
TOTAL ASSETS		<u>5,649</u>
 LIABILITIES		
Due to Other Funds		<u>5,649</u>
TOTAL LIABILITIES	\$	<u>5,649</u>

See accompanying notes and accountant's report.

**Notes to the Basic
Financial Statements**

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS

INTRODUCTION

As provided by Article V, Section 26 of the Louisiana Constitution of 1984, the District Attorney has charge of every criminal prosecution by the State in his district, is the representative of the State before the Grand Jury in his district, and is the legal advisor to the Grand Jury. He performs other duties as provided by law. The qualified electors of the judicial district elect the District Attorney for a term of six years. The District Attorney currently employs ten people.

1. SUMMARY OF SIGNIFICANT POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the District Attorney of the 28th Judicial District, a component unit of the LaSalle Parish Police Jury, have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements-and Management's Discussion and Analysis for State and Local Governments*, issued June 1999.

B. REPORTING ENTITY

The District Attorney is an independent elected official; however, the District Attorney is fiscally dependent on the LaSalle Parish Police Jury. The police jury and councils maintain and operate the parish courthouse in which the District Attorney's office is located and provides funds for payroll and other expenses of the District Attorney's office. In addition, the councils and police jury's financial statements would be incomplete or misleading without inclusion of the District Attorney. For these reasons, the District Attorney was determined to be a component unit of the LaSalle Parish Police Jury, the financial reporting entities of LaSalle Parish.

The accompanying financial statements present information only on the funds maintained by the District Attorney and do not present information on the police jury, the general governmental services provided by those governmental units, or the other governmental units that comprise the financial reporting entities.

C. FUND ACCOUNTING

The District Attorney uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions relating to certain District Attorney functions or activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, and then unrestricted resources as they are needed.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Governmental Funds:

General Fund

The General Fund was established in compliance with Louisiana Revised Statute 15:571.11, which provides that 12 percent of the fines collected and bonds forfeited be transmitted to the District Attorney to defray the necessary expenditures of his office.

The Worthless Check Collection Fee Special Revenue Fund consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides for a specific fee whenever the District Attorney's office collects and processes a worthless check. Expenditures from this fund are at the sole discretion of the District Attorney and may be used to defray the salaries and expenses of the office of the District Attorney, but may not be used to supplement the salary of the District Attorney. Revenues and expenditures of this fund are reported in the General Fund.

Pre-Trial Intervention Fund Special Revenue Funds

The pre-trial intervention program is a diversion program which is offered to selected offenders as an alternative to prosecution. Individuals who volunteer to participate in the program are assessed a fee and receive coordinated assistance in job placement, educational and vocational referrals, personal and group counseling, and referrals to other community agencies appropriate to their needs. Fees received may be used for any purpose at the sole discretion of the District Attorney.

Fiduciary Funds:

Agency Fund

This fund is used to account for payroll and related withholding taxes paid from the office's various funds.

D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the District Attorney as a whole. These statements include all the financial activities of the District Attorney. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

- ***Program Revenues*** – Program revenues included in the Statement of Activities are derived directly from users as a fee for services; program revenues reduce the cost of the function to be financed from the District Attorney's general revenues.

Fund Financial Statements (FFS)

The amounts reflected in the General Fund of the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District Attorney's operations. (See the reconciliation statements).

The amounts reflected in the General Fund in the FFS use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District Attorney considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become both measurable and available to finance expenditures of the current period. "Available" means collectible within the current period or within 60 days after year end. Certain revenues are assessed and collected in such a manner that they can be accrued appropriately.

Commissions on the fines and forfeitures are recorded in the year they are collected by the tax collector, and intermediary collecting government.

Intergovernmental revenues are recorded when the District Attorney is entitled to the funds.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Other Financing Sources (Uses)

Transfers between funds, which are not expected to be repaid, and proceeds from the sale of assets are accounted for as other financing sources (uses).

E. BUDGETS

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with U.S. generally accepted accounting principles. The proposed budget, prepared on the modified accrual basis of accounting, for fiscal year December 31, 2009 was completed, published, and made available for public inspection. The public hearing was held at the District Attorney's Office for comments from taxpayers. The budget was legally adopted and amended, as necessary, by the District Attorney following the public hearing. All expenditure appropriations lapse at year end. The District Attorney has sole authority to make changes or amendments within various budget classifications.

F. DEPOSITS & INVESTMENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the District's investment policy allow the District to invest in collateralized certificate of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the District are reported at fair value.

G. RECEIVABLES & PAYABLES

All trade and other receivables are shown net of an allowance for uncollectables.

H. CAPITAL ASSETS

Capital Assets, which include property and equipment, are reported in the applicable columns in the government-wide financial statements. Capital assets are capitalized at historical cost. The District maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All Capital Assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Vehicles	3 years
Equipment	7 years

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

I. LONG-TERM OBLIGATIONS

The District had an equipment lease-purchase agreement with Ford Motor Credit Company for a 2006 Ford 500. Beginning principal was \$27,124.59; payments due in 48 monthly installments of \$638.59. Payments began July 2005 and ended June 2009; interest at 6.4%. As of December 31, 2009, the District had no amount payable.

J. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

It is the District's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The District's deposits are categorized to give an indication of the level of risk assumed by the District at year end. The categories are describes as follows:

- **Category 1** – Insured or collateralized with securities held by the District or by its agent in the District's name.
- **Category 2** – Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.
- **Category 3** – Uncollateralized.

<u>Bank</u>	<u>Bank Balance At 12/31/2009</u>
Southern Heritage Bank	\$ 43,865
Total	\$ 43,865

Amounts on deposit are secured by the following pledges:

<u>Description</u>	<u>Southern Heritage Market Value</u>
FDIC (Category 1)	\$ 43,865
Securities (Category 2)	-0-
Total	\$ 43,865

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

3. RECEIVABLES

The receivables of \$8,111 at December 31, 2009 are as follows:

Accounts Receivable	\$ 8,111
Total	\$ 8,111

Allowance for doubtful accounts, if any, is considered immaterial and is not presented.

4. CAPITAL ASSETS

Capital assets and depreciation activity as of and for the year ended December 31, 2009, for the primary government is as follows:

	<u>Beginning of Period</u>		<u>Additions</u>		<u>Deletions Transfers</u>		<u>End of Period</u>
Capital assets being depreciated:							
Equipment & furniture	\$ 91,732	\$	-0-	\$	-0-	\$	91,732
Less accumulated depreciation:	(74,541)		(5,856)		-0-		(80,397)
Total assets being depreciated, net	<u>\$ 17,191</u>	\$	<u>(5,856)</u>	\$	<u>-0-</u>	\$	<u>11,335</u>

5. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$4,821 at December 31, 2009 are as follows:

Accounts Payable	\$ 4,821
Total Accounts Payable	\$ 4,821

6. CHANGES IN LONG-TERM DEBT

Changes in Leases Payable are as follows:

Lease Payable 12/31/2008	\$ 3,762
Principal Paid	(3,762)
Lease Payable 12/31/2009	\$ -0-

7. PENSION PLANS

Plan Description. The District Attorney and Assistant District Attorneys are members of the Louisiana District Attorney's Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

Assistant District Attorneys who earn, a minimum, the amount paid by the state for assistant district attorneys and are under the age of 60 at the time of original employment and all district attorneys are required to participate in the System. For members who joined the System before July 1, 1990, and who elected not to be covered by the new provisions, the following applies: Any member with 23 or more years of creditable service regardless of age may retire with a 3 per cent benefit reduction for each year below age 55, provided that no reduction is applied if the member has 30 or more years of service. Any member with at least 18 years of service may retire at age 55 with 3 percent benefit reduction for each year below age 60. In addition, any member with at least 10 years of service may retire at age 60 with 3 percent benefit reduction for each year retiring below the age of 62. The retirement benefit is equal to 3 percent of the member's average final compensation multiplied by the number of years of his membership service, not to exceed 100 percent of his average final compensation.

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final-average compensation multiplied by years of membership service. A member is eligible for early retirement if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana District Attorneys Retirement System, 1645 Nicholson Drive, Baton Rouge, Louisiana 70802-8143 or by calling (225)267-4824.

Funding Policy. Plan members are required by state statute to contribute 7.0 percent of their annual covered salary and the district attorney is required to contribute at an actuarially determined rate. The rate is a percentage of the ad valorem taxes collected throughout the state and revenue sharing funds as appropriated by the legislature. The rate for the year 2009 was 3.5%. The contribution requirements of plan members and the district attorney are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The District Attorney's contributions to the System for the year ending December 31, 2009 were \$6,437.

8. EXPENSES & DEBT SERVICE OF THE DISTRICT ATTORNEY NOT INCLUDED IN THE FINANCIAL STATEMENTS

The accompanying financial statements do not include certain expenses and debt service of the District Attorney paid out of the funds of the criminal court fund of the Police Jury of LaSalle Parish or directly by the State of Louisiana.

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana**

NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)

9. AGENCY FUND

The agency fund of the District Attorney's Office is used to pay payroll due from the various funds of the office. Use of the agency fund allows efficient accounting of payroll, withholding and payment of payroll taxes and benefits. During the year the following transactions accrued in the agency fund:

Receipts	
Transfers from Various Funds	\$ <u>190,039</u>
Disbursements	
Salaries, Taxes and Benefits	\$ <u>182,515</u>

10. TRANSFERS

Transfers are made between funds for the operation of the district.

11. DUE FROM/TO OTHER FUNDS

	<u>Due From</u>	<u>Due To</u>	<u>Total</u>
12% Fund	\$ 5,649	\$ -0-	\$ 5,649
Agency Fund	-0-	(5,649)	(5,649)
Total	\$ 5,649	\$ (5,649)	\$ -0-

Required Supplementary Information

**District Attorney of the Twenty-Eighth Judicial District
Jena, Louisiana
Governmental Funds
Budgetary Comparison Schedule
Year Ended December 31, 2009**

	<u>BUDGETED AMOUNTS</u>			<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
REVENUES				
Intergovernmental	\$ -0-	\$ 55,000	\$ 49,646	\$ (5,354)
Commissions on Fines	170,000	177,500	87,158	(90,342)
State Income	-0-	-0-	87,048	87,048
Other Income	5,000	1,000	1,562	562
Worthless Check Collection	50,000	82,000	76,069	(5,931)
Asset Forfeiture	-0-	71,000	71,205	205
TOTAL REVENUES	<u>225,000</u>	<u>386,500</u>	<u>372,688</u>	<u>(13,812)</u>
EXPENDITURES				
LDAA Monthly Assessment	4,000	-0-	-0-	-0-
Worthless Checks	-0-	-0-	38,786	(38,786)
Auto Expenditures	7,500	11,000	11,414	(414)
Travel	2,000	2,000	676	1,324
Legal & Accounting	6,000	6,000	6,526	(526)
Insurance	2,000	2,100	2,046	54
Dues & Subscriptions	750	4,850	5,497	(647)
Contract Labor	-0-	-0-	1,184	(1,184)
Utilities	2,000	2,200	2,074	126
Office Expenditures	10,250	14,250	15,664	(1,414)
Advertising	300	900	887	13
Cost of Court & Restitution	2,000	71,000	24,957	46,043
Asset Forfeiture	-0-	57,100	57,140	(40)
Payroll Expenditures	175,000	181,700	182,515	(815)
Equipment Rental	500	1,320	-0-	1,320
Other Expenditures	4,500	2,500	156	2,344
TOTAL EXPENDITURES	<u>216,800</u>	<u>356,920</u>	<u>349,522</u>	<u>7,398</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-0-	-0-	38,340	38,340
Transfer Out	-0-	-0-	(38,340)	(38,340)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
EXCESS (DEFICIENCY) OF REVENUES & OTHER SOURCES OVER EXPENDITURES & OTHER USES	\$ <u>8,200</u>	\$ <u>29,580</u>	23,166	\$ <u>(6,414)</u>
FUND BALANCE – BEGINNING OF YEAR			<u>23,529</u>	
FUND BALANCE – END OF YEAR			\$ <u>46,695</u>	

See accompanying notes and accountant's report.

Other Reports

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT
JENA, LOUISIANA**

MANAGEMENT LETTER COMMENTS

During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement and our recommendation for improvement.

CURRENT YEAR MANAGEMENT LETTER COMMENTS

No items to report.

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT
JENA, LOUISIANA**

December 31, 2009

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR FINDINGS

No items to report.

**DISTRICT ATTORNEY OF THE TWENTY-EIGHTH JUDICIAL DISTRICT
JENA, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the District Attorney of the Twenty-Eighth Judicial District, Louisiana has provided the following action summaries relating to findings brought to their attention as a result of their financial review for the year ended December 31, 2008.

PRIOR YEAR FINDINGS

2008-M-1 Budget Variances

Finding: The District had an unfavorable expenditure variance of \$75,390 or 32% in its governmental funds during the year. The Budget Act requires that budgets be amended when the variance exceeds 5%.

District's Corrective Action: The budget is amended when there is an unfavorable variance of more than 5%.

LOUISIANA ATTESTATION QUESTIONNAIRE

JOHN R. VERCHER PC

Certified Public Accountants

P.O. Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

In connection with your review of our financial statements as of December 31, 2009 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of June 11, 2010 (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [☒] No [☐]

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No [☐]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No [☐]

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No [☐]

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No [☐]

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes [☒] No [☐]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [☒] No [☐]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60.

Yes [☒] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Signed: _____

Title: _____

DESECT ATTORNEY